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RICHARD A. MARSHACK

7 UNITED STATES BANKRUPTCY COURT

8 CENTRAL DISTRICT OF CALIFORNIA – SANTA ANA DIVISION

9
10 In re

Case No. 8:20-bk-13014-SC

11 NORTHERN HOLDING, LLC,

Chapter 7

12 Debtor.

13 SECOND STIPULATION BETWEEN
CHAPTER 7 TRUSTEE AND LEROY E.
14 CODDING, IV RE: CONSENT TO
ADJUDICATION OF CIVIL CONTEMPT
AND REIMBURSEMENT TO ESTATE

15 Continued Hearing on OSC:

16 Date: September 13, 2023

17 Time: 11:00 a.m.

18 Ctrm: 5C – via ZoomGov

19 Address: 411 W. Fourth Street, Santa Ana, CA
92701

20 TO THE HONORABLE SCOTT C. CLARKSON, UNITED STATES BANKRUPTCY JUDGE,
21 THE OFFICE OF THE UNITED STATES TRUSTEE, AND ALL INTERESTED PARTIES:

22 This second stipulation (“Stipulation”) is entered into between Richard A. Marshack, in his
23 capacity as Chapter 7 Trustee (“Trustee”) of the bankruptcy estate (“Estate”) of Northern Holding,
24 LLC (“Debtor”), and Leroy Emerson Coddington, IV (“Coddington”), an individual in his individual
25 capacity and in his capacity as the managing member of Fluid Wine Fund I, LLC, a Nevada limited
26 liability company and as chief executive officer of Rabbit Ridge Wine Sales, Inc., on the other hand.
27 The Trustee and Coddington (together, the “Parties”) stipulate to the following:
28

Recitals

A. On October 28, 2020, Debtor filed a voluntary petition for bankruptcy under Chapter 11 of Title 11 of the United States Code, initiating the above-captioned bankruptcy case. Coddling was the managing member of Debtor. Coddling is also the managing member of Fluid Wine Fund I, LLC, a Nevada limited liability company ("FWF"), which is the 100% shareholder of Rabbit Ridge Wine Sales, Inc. ("Rabbit Ridge").

B. On March 22, 2021, AgWest Farm Credit, FLCA f/k/a Farm Credit West, FCLA ("FCW") filed a proof of claim, which was assigned claim number 4-1.

C. On June 15, 2021 ("Conversion Date"), the case was converted to Chapter 7. Richard A. Marshack was appointed as the Chapter 7 trustee of the converted case.

D. On August 9, 2021, as Dk. No. 184, a stipulation ("Turnover Stipulation") signed by Trustee and Coddling (on behalf of Rabbit Ridge) was filed, where Coddling, on behalf of Rabbit Ridge, agreed to entry of an order for turnover of real property commonly known as 1172 San Marcos Road ("San Marcos Property"), and adjacent real property APN No. 027-145-022 ("Texas Road Property").

E. Also on August 9, 2021, as Dk. No. 186, Trustee filed a motion to authorize operations of on Estate properties for the limited purpose of growing, cultivating, and harvesting grapes for the Fall 2021 period ("Operate Motion").

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F. On August 23, 2021, as Dk. No. 196, the Court entered an order approving the Turnover Stipulation ("Turnover Order").

G. On September 7, 2021, as Dk. No. 211, the Court entered an order approving the Operate Motion and the Farm Agreement ("Operate Order").

H. Under the Operate Order, Trustee was authorized to employ Codding to operate a farming business on the San Marcos Property, Texas Road Property, and a third parcel commonly known as 2380 Live Oak Road, Paso Robles, CA ("Live Oak Property" and together with the other two properties, the "Properties").

I. On April 1, 2022, as Dk. No. 304, Trustee filed a motion for issuance of an order to show cause re: civil contempt against Codding ("OSC Motion").

J. On July 1, 2022, as Dk. No. 350, Codding filed an opposition to the OSC Motion.

K. On October 26, 2022, as Dk. No. 359, the Court entered an order to show cause against Codding ("OSC").

L. On May 11, 2023, the Court conducted a hearing on the OSC, and testimony of witnesses was presented both in person and over ZoomGov.

M. On May 12, 2023, as Dk. No. 394, Trustee filed a stipulation signed by Codding which provided, *inter alia*, that Codding agreed to pay \$140,000 to the Estate by 11:59 p.m. Pacific Prevailing Time on June 14, 2023, or otherwise agreed that the Court would enter a civil contempt order against him ("Contempt Stipulation").

N. On June 2, 2023, as Dk. No. 406, the Court entered an order approving the Contempt Stipulation, as modified by an intervening objection by FCW.

O. Codding has not paid anything to the Estate as of the date of this Stipulation. A continued hearing on the OSC is set for September 13, 2023.

WHEREFORE, the Parties agree as follows:

1. Codding, in his individual capacity and in his capacity as managing member of FWF, and chief executive officer of Rabbit Ridge, stipulates that Leroy E. Codding, IV, Fluid Wine Fund I, LLC, and Rabbit Ridge Wine Sales, Inc. have joint and several liability for payment in the **increased amount of \$160,000** to the Bankruptcy Estate of Northern Holding, LLC.

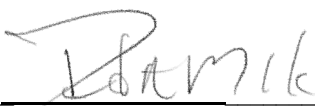
2. If \$160,000 is not received by the Estate by 11:59 p.m. Pacific Prevailing Time on September 12, 2023, either in the form of certified funds or verified funds, the Court shall enter an order adjudicating Codding in civil contempt and consider the imposition of appropriate compensatory and coercive sanctions, including the award of compensatory damages including reasonable attorneys' fees, or civil incarceration to coerce Codding to comply with the Court's orders.

3. Unless otherwise ordered by the Court, the Parties shall appear for the hearing on September 13, 2023, at 11:00 a.m., for a continued hearing on the OSC and to advise the Court regarding the status of the obligations under this Stipulation.


4. All other provisions of the Contempt Stipulation, unless expressly modified herein, remain in full force and effect.

5. This Stipulation may be executed in one or more counterparts and facsimile or electronic signatures may be used in filing this document with the Court.


Dated: July 25, 2023

By: 
RICHARD A. MARSHACK
Chapter 7 Trustee


Dated: July 25 2023

By: 
LEROY E. CODDING, IV
individually

Dated: July 25 2023

By: 
LEROY E. CODDING, IV
Managing Member for
FLUID WINE FUND I, LLC

Dated: July 25, 2023

By: 
LEROY E. CODDINGTON, IV
Chief Executive Officer for
RABBIT RIDGE WINE SALES, INC.

Presented by: MARSHACK HAYS LLP

Dated: July 26, 2023 By: /s/ Tinho Mang
D. EDWARD HAYS
TINHO MANG
Attorneys for Chapter 7 Trustee
RICHARD A. MARSHACK

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:
870 Roosevelt, Irvine, CA 92620

A true and correct copy of the foregoing document entitled: **SECOND STIPULATION BETWEEN CHAPTER 7 TRUSTEE AND LEROY E. CODDING, IV RE: CONSENT TO ADJUDICATION OF CIVIL CONTEMPT AND REIMBURSEMENT TO ESTATE** will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

1. **TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF)**: Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On **July 28, 2023**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

☒ Service information continued on attached page

2. **SERVED BY UNITED STATES MAIL**: On **July 28, 2023**, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

DEBTOR

NORTHERN HOLDING, LLC
ATTN: OFFICER, A MANAGING OR GENERAL
AGENT, OR TO ANY OTHER AGENT
AUTHORIZED BY APPOINTMENT OR LAW TO
RECEIVE SERVICE
13217 JAMBOREE RD #429
TUSTIN, CA 92782

INTERESTED PARTY

LEE CODDING
13217 JAMBOREE ROAD,
#429
TUSTIN, CA 92782

**SECURED CREDITOR / PROOF
OF CLAIM 4-1 ADDRESS**

FARM CREDIT WEST, FCLA
FRANDZEL ROBINS BLOOM &
CSATO, L.C.
ATTENTION: MICHAEL GOMEZ
1000 WILSHIRE BOULEVARD,
19TH FLOOR
LOS ANGELES, CA 90017

**SECURED CREDITOR / PROOF OF
CLAIM 4-1 ADDRESS**

FARM CREDIT WEST, FCLA
ATTENTION: KEVIN E. RALPH
3755 ATHERTON DRIVE
ROCKLIN, CA 95765

SECURED CREDITOR

FARM CREDIT WEST
ATTN: OFFICER, A
MANAGING OR GENERAL
AGENT, OR TO ANY OTHER
AGENT AUTHORIZED BY
APPOINTMENT OR LAW TO
RECEIVE SERVICE
3755 ATHERTON RD
11707 FAIR OAKS BLVD
ROCKLIN, CA 95765

☐ Service information continued on attached page

3. **SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL**: Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on **July 28, 2023**, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

VIA PERSONAL DELIVERY:

PRESIDING JUDGE'S COPY

HONORABLE SCOTT C. CLARKSON
US BANKRUPTCY COURT
411 WEST FOURTH STREET, SUITE 5-097
SANTA ANA, CA 92701-4593

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

July 28, 2023

Layla Buchanan

/s/ Layla Buchanan

Date

Printed Name

Signature

This form is mandatory. It has been approved for use by the United States Bankruptcy Court for the Central District of California.

1. **TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):** CONTINUED:

- **William H Brownstein** Brownsteinlaw.bill@gmail.com
- **Steve Burnell** Steve.Burnell@gmlaw.com,
sburnell@ecf.courtdrive.com;sburnell@ecf.inforuptcy.com;cheryl.caldwell@gmlaw.com;denise.walker@gmlaw.com
- **ATTORNEY FOR INTERESTED PARTY LEE CODDING: Robert P Goe** kmurphy@goeforlaw.com,
rgoe@goeforlaw.com;goeforecf@gmail.com
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- **Kristine A Thagard** kthagard@marshackhays.com,
kthagard@ecf.courtdrive.com;kfrederick@ecf.courtdrive.com
- **United States Trustee (SA)** ustpregion16.sa.ecf@usdoj.gov
- **Reed S Waddell** rwaddell@frandzel.com, sking@frandzel.com
- **Gerrick Warrington** gwarrington@frandzel.com, achase@frandzel.com
- **David Wood** dwood@marshackhays.com,
dwood@ecf.courtdrive.com;lbuchananmh@ecf.courtdrive.com;kfrederick@ecf.courtdrive.com

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